

FINAL

Solar Working Group

June 5, 2014

6:00-8:00pm, West Boulder Senior Center

ATTENDEES:

- **City** – Juliet Bonnell, Kelly Crandall, Karl Guiler, Jonathan Koehn
- **Working Group** – Todd Stewart, Phil Wardwell, John Street, Puneet Pasrich, Ken Gamauf, Ken Regelson, Duncan Campbell, Lynn Segal, Dan Kramer, Tim Schoechle, Dave Hatchimonji

MEETING NOTES:

1. City Code Update (Karl Guiler)

Karl is responsible for developing the draft code changes related to solar that will ultimately be approved by City Council. The goal of the code changes is to make expectations related to solar installations clear. There are certain areas that are getting tightened up. Karl described a few areas that are being revised and asked for specific questions from the group. Karl responded to the following questions and comments:

- Are there restrictions to solar-tracking technology?
- Is the city getting good feedback?
- Are there any specific restrictions on carports?
- If we want to install solar on the edges of roadways (public right-of-ways), greenspace, etc., how is that addressed by the code updates?
- What about height restrictions for solar thermal (typically tilted at 40 degrees)?
- Square footage and height are really the only restrictions on rooftops.
- What about south-facing, wall-mounted solar?

Karl encouraged members to contact him to discuss any additional issues prior to taking proposals to Council.

Jonathan described a potential solar street lighting pilot project as part of the University Hill re-development (not on the agenda). He requested any working group members that have experience or ideas on how to develop solar street lighting in areas that are predominantly shaded to contact him with information.

2. Solar Grant Discussion (Juliet Bonnell)

Juliet provided the background on the Solar Grants program and the purpose for creating the ordinance. The city is interested in feedback about how to develop the program more effectively, how to ensure the dollars are being spent wisely, and the criteria that are used to evaluate potential projects. The group asked the following questions and provided specific feedback, including:

- Do projects have to be net metered? In other words, could projects be “behind the meter,” or include storage?

- It seems like there would be a great opportunity to work with Boulder Housing partners or other organizations to identify demand metered facilities as they stand to benefit greatly from onsite solar.
- Is there a way to utilize funding for marijuana grow operations?
- What about targeting non-profits that own versus rent? Should also look at entities that are on an energy-only tariff.
- What does success of the program look like moving forward? What are the right metrics? Is it purely the number of kW installed? What other benefits should be included as evaluation criteria?
- Maybe there is an opportunity to expand the scope of how the dollars are used.
- One potential way is creating solar farms for non-profits. Instead of rebates, what about using for solar and prescribing utility costs to them?
- Boulder County is actively looking for grants to supplement a turn-key process to leverage resources. May be able to partner with city to create affordable housing program (income-qualified).
- Are there 501(c)(3)s that own? One idea is to accelerate payback. For example, if you take the same dollars that are provided through a Solar*Rewards performance-based incentive payment, and apply to a 5-year timeframe rather than 10 years, you increase yield by providing payback more quickly.
- Assume that some people are reluctant to buy solar because of maintenance issues. This leads to the conclusion that a subscription in a solar garden may be a better approach for low-income or income qualified customers. This would also expand the application pool to include renters, or those with no site suitability.
- The group discussed how to address the high turn-over in rentals, and how to mitigate any issues arising from income qualification.
- Is the conversation taking place because we can't get rid of the money? If so, we should consider why:
 - Financially not a good deal right now(no small program available right now)
 - Are all affordable housing already subscribing to solar?
 - The city could go out to installers and have them do a bid process.
- Don't forget that schools are good candidates. Middle schools are an especially good candidate.
- One potential problem with the program is that we are targeting a population with no tax appetite, therefore there is not a huge economic incentive. Who is the most bankable group? This is hard in the 501(c)(3) and low-income group. Perhaps the city could create a loan loss fund for an investor. Because of the credit-worthiness of the clientele, developers cannot obtain underwriting due to high risk. We should use the market to leverage and develop a portfolio view.

Ultimately, the city would like to get more applications than we have the ability to fund. What criteria should we consider moving forward? The group suggested a series of filters:

- Meets affordable housing or 501(c)(3) status
- "Biggest bang for the buck"

3. Boulder Docket issues

Kelly outlined the key areas included in the ongoing Colorado Public Utilities Commission (PUC) proceeding in which Xcel Energy has proposed changes to Solar*Rewards, Solar*Rewards Community

(solar gardens), and demand-side management (DSM) rebates and incentives for Boulder customers. The city's answer testimony is due on June 13. One area the city would like input from the group is developing a strategy for existing solar garden subscribers who are city customers.

Jonathan described that the solar garden legislation requires that a subscriber in one utility's service area cannot be a subscriber in another utility's territory. Therefore, if the city municipalizes, the city customers that subscribe to the Cowdery Meadows garden in Boulder County would no longer be able to subscribe. The city is actively looking for creative solutions to make sure that:

- a. Customers are not harmed;
- b. Customers feel encouraged to continue to subscribe to solar gardens;
- c. We can facilitate more solar coming online; and
- d. Subscriber organizations and private companies who develop solar gardens can continue to flourish in Boulder.

Some of the options that have been discussed for transitioning solar gardens customers include:

- Option 1: Boulder could simply transfer bill credits for an interim period, which is the cleanest.
- Option 2: Some type of bridge financing would need to be created for customers to transfer into a city garden while simultaneously selling their panels in the out of city garden.

The group agreed to continue to consider options to meet the city's goals and will forward those to city staff.

4. Local Generation Analysis (Jonathan)

Jonathan described the draft request for proposals (RFP) being created to analyze the potential of local solar as part of a larger local generation potential study. The RFP is intended to understand the local generation capabilities for solar and other generation sources that the city would like to prioritize, whether or not municipalization occurs. The city is still seeking funding to perform this analysis, so it is unclear when it will be released. Jonathan will email the draft RFP to working group members on request. He also mentioned that it will be important that those individuals who are with firms that may ultimately choose to bid on the work should consider the sensitivity of providing comments.

5. Working Group Report-Out (Kelly)

Kelly mentioned that this was officially the last meeting of the solar working group. Staff would like to honor the time and effort the group put into the process by hosting a reception for both the solar and natural gas working groups. The group was also asked whether they would like to develop a written report highlighting the key recommendations, and/or present those recommendations to City Council. The group agreed that it makes most sense to do both. The targeted date for Council presentation is August 19, however Kelly will contact the group as the date is firmed up.

6. Unified Solar Website (Kelly)

Kelly showed an initial landing page for a one-stop-shop solar website that the city is creating to include information on solar permits, solar programs (including grants and incentives), new solar initiatives (such as applying for Solar Friendly Communities certification), etc. The working group suggested creating an email list specific to current solar customers and to provide more information regarding the impact of municipalization on existing contracts.